



*THE COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES*

***DIVISION OF HEALTH CARE FINANCE AND POLICY***

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**ADMINISTRATIVE BULLETIN 04-01  
NURSING FACILITY DIRECT CARE ADD-ON COMPLIANCE TESTS  
March 1, 2004**

This Administrative Bulletin clarifies the Direct Care Add-on Recovery calculations specified in 114.2 CMR 6.06(2)(b). As part of this bulletin, the Division is issuing compliance worksheets and instructions to facilities. These worksheets will be used by the Division to determine compliance with the spending provisions of 114.2 CMR 6.06(2)(b).

Facilities must complete these compliance worksheets and submit them to the Division by **August 15, 2004**. However, facilities are encouraged to monitor compliance throughout the year to ensure that they will not be subject to a recovery.

The instructions and worksheets reflect the following clarifications:

1. Each test calculates an amount that may be credited toward compliance. However, the same spending is measured in test 1/nursing costs in excess of the median and in test 2/increasing wages & benefits and in test 3/increasing staff-to-patient ratio. There is no overlap of expenses in test 4/improved recruitment and retention. Therefore, the final compliance is determined as the higher of:
  - The sum of test 1/nursing costs in excess of the median & test 4/improved recruitment and retention; OR
  - The sum of test 2/increasing wages & benefits, test 3/increasing staff-to-patient ratio & test 4/improved recruitment and retention.
2. Facilities may count spending on purchased service nursing in the compliance calculations.

The Division will conduct desk reviews and audits of this data and may revise figures reported by facilities.

Questions regarding the direct care add-on should be directed to the Division's Provider Assistance line, (617) 988-3298.